

## MINUTES – JUNE 28, 2004

The Caswell County Board of Commissioners reconvened its meeting at the Historic Courthouse in Yanceyville, North Carolina at 6:30 p.m. on Monday, June 28, 2004. Members present: Mel O. Battle, Chairman, Larry G. Hamlett, Vice-Chairman, Nathaniel Hall, Jack W. Hooper, Cathy W. Lucas, Kenneth D. Travis, and George W. Ward, Jr. Also present: Jeffrey H. Earp, County Manager and Gwen Y. Vaughn, Finance Officer. Wanda P. Smith, Clerk to the Board, recorded the minutes.

### MOMENT OF SILENT PRAYER

Chairman Battle opened the meeting with a Moment of Silent Prayer.

### BOARD OF EQUALIZATION AND REVIEW

Chairman Battle moved, seconded by Commissioner Travis that the Board of Commissioners recess and reconvene as the Board of Equalization and Review. The motion carried unanimously with Commissioner Hall absent.

Mr. Thomas Bernard, Tax Director, came before the Board and reported that as directed by the Board, there was an interior visit made of the home of Mr. James White. Mr. Bernard stated that he recommends based on the appraiser's information a reduction in the value of the house from \$132,072 to \$128,298. Mr. Bernard added that this would reduce the total valuation of Mr. White's property from \$313,097 to \$309,324.

Mr. Bernard reported that as directed by the Board, the Wiley property as presented by Mr. Dorsey Wiley was revisited. Mr. Bernard stated that Mr. Tommy Blount, representing Pearson Appraisal Company, revisited the interior of the home and noted that there was termite damage and damage to the basement of the home due to moisture and recommended a reduction in the value of the home from \$72,750 to \$66,787. Mr. Bernard added that there was an adjustment of approximately \$300 on the land, with a total reduction of \$6,687. Mr. Bernard noted that the total valuation of the property decreased from \$211,156 to \$204,469.

Mr. Bernard reported that as directed by the Board, the property of Mr. Jerry Poteat was revisited. Mr. Bernard stated that an interior inspection of the house was conducted and he recommended based on the appraiser's information that the value of the house be reduced from \$93,409 to \$87,215.

Mr. Bernard reported that as directed by the Board, the property of Mr. Steve Williams was revisited. Mr. Bernard stated that an interior inspection of the house was conducted and he recommended based on the appraiser's information that the value of the house be reduced from \$53,339 to \$17,068 and the total valuation reduced from \$69,602 to \$33,332.

(Commissioner Hall entered the meeting at this time).

Commissioner Lucas moved, seconded by Commissioner Ward to accept the recommendation of the Tax Director and reduce the valuation of Mr. James White's property by \$3,773. The motion carried unanimously.

Commissioner Hooper moved, seconded by Commissioner Travis to accept the recommendation of the Tax Director and reduce the valuation of the Wiley property by \$6,687. The motion carried unanimously.

Commissioner Hamlett moved, seconded by Commissioner Hooper to accept the recommendation of the Tax Director and reduce the valuation of Mr. Jerry Poteat's property by \$6,194. The motion carried by a vote of six to one with Chairman Battle voting no.

Commissioner Hamlett moved, seconded by Commissioner Ward to accept the recommendation of the Tax Director and reduce the valuation of Mr. Steve Williams' property by \$ 36,270. The motion carried unanimously.

Chairman Battle moved, seconded by Commissioner Travis to adjourn as the Board of Equalization and Review and reconvene as the Board of Commissioners. The motion carried unanimously.

#### NCACC ANNUAL CONFERENCE

Chairman Battle questioned the Board members as to whether any of them had plans to attend the Annual Conference of the North Carolina Association of County Commissioners on August 19-22, 2004 in Asheville. Chairman Battle stated that he would notify the Association that there would be no one from Caswell County in attendance.

#### PUBLIC HEARING – PROPOSED 2004-2005 BUDGET

Chairman Battle moved, seconded by Commissioner Travis that the Board enter into a public hearing to receive comments on the Proposed Budget for Caswell County for Fiscal Year 2004-2005. The motion carried unanimously.

Dr. Douglas Barker, Superintendent, Caswell County Schools, came before the Board to ask that as they review the Schools' budget in its budget deliberations that the Board consider funding at least one of the capital projects that is of desperate need to the School District. Dr. Barker stated that one project would be the Ninth Grade Building roof at Bartlett Yancey High School. Dr. Barker added that this roof has been leaking for some time and has damaged the inside of the building. Dr. Barker reported that the total cost of the roof project is \$85,000, with \$10,000 to be appropriated for the replacement of ceiling tile, which would be less than one cent on the tax rate. Dr. Barker reported that the second major capital project item is the replacement of the roof at the Civic Center. Dr.

Barker stated that the Civic Center has now been used by the community for 25 years and the roof leaks. Dr. Barker informed the Board of a number of projects that they are funding with their Fund Balance. Dr. Barker stated that their other two needs are in Current Expense which deals with additional personnel in the School District. Dr. Barker added that there is an excellent art program at the elementary and high school level; however there is no art teacher at the Middle School. Dr. Barker stated that the second priority is for a School Nurse. Dr. Barker noted that the Caswell County School District is one of the few school districts in the State that does not have a School Nurse to address the medical needs of its students. Dr. Barker added that these two positions would require less than one cent on the tax rate. Dr. Barker stated that from comments he has heard from the community, he feels that they would support a School Nurse and Art Teacher. Dr. Barker added that they have been told by the Board of Commissioners and others that have visited their schools to keep the buildings in as good repair as possible and this begins with the roof. Chairman Battle questioned Dr. Barker as to the amount in the ADM Fund. Dr. Barker answered that currently there is approximately \$80,000 in the ADM Fund.

Mr. Bill Bush of Park Springs Road came before the Board regarding the County Budget and tax rate. Mr. Bush stated that he would like to begin with offering his experience in dealing with the County budget about ten years ago. Mr. Bush added that at that time he sat down with newly elected Commissioner, David Wrenn, and his friend, Cathy Lucas at her home one night during budget season, where Commissioner Wrenn brought in his well marked copy of the budget. Mr. Bush stated that they then began reviewing each department line by line, making cuts from \$50, to one department head's \$500 per month cell phone line in the budget. Mr. Bush added that by 2:00 AM they had a list of over \$900,000 in potential cuts and at the following budget sessions, the Board of Commissioners accepted about \$750,000 in cuts and the County did not collapse. Mr. Bush stated that a second experience with the budget came when the State had a financial crunch and forced all counties to reduce budgets by withholding State funds. Mr. Bush added that at that time the County Manager, Finance Officer, and Commissioners Hall, Wrenn, and Lucas sat down in the Spring and made over \$400,000 in cuts late in the budget year and the County did not collapse. Mr. Bush stated that this year everyone is already facing record breaking gasoline prices, layoffs at major local employers, and asked if we now need a tax increase. Mr. Bush urged the Board to look again and stated that the Board's twelve hours of budget sessions has produced a cut of only about one-half of one percent off of the proposed budget of \$20,600,000. Mr. Bush stated that surely there is money to be cut, beginning with the elimination of all but \$200 in the Commissioners' Travel Fund. Mr. Bush added that in all of the meetings he has attended he has never heard anything said or seen anything accomplished as a result of going to Vegas or wherever. Mr. Bush suggested keeping \$200 in the Fund so the Board could go to Raleigh during legislative sessions and lobby for the citizens' needs and be really effective, thereby saving \$2,000. Mr. Bush stated that another \$4,500 is going to two private groups that could be cut. Mr. Bush added that \$15,000 is in the budget to pay for a private Attorney to handle foreclosures for the Tax Office when the County already has a full-time Attorney on staff who could handle this. Mr. Bush informed the Board that he listened to the tape of their last meeting and it came as a revelation to him to hear that

voting for more spending last year was a reason to raise taxes this year. Mr. Bush asked that the Board not refer to excess taxes as “Jeff’s money” because this \$40,000 probably amounts to the taxes of 50 average families in this county.

Mr. Thomas Hoskins of Pelham came before the Board and stated that he agrees with Mr. Bush in that the County does not need a tax increase. Mr. Hoskins added that tobacco is being cut 33% another year and has been cut 50% over the past five years. Mr. Hoskins asked how the people are going to generate the money to pay these extra taxes. Mr. Hoskins stated that the money is not there and the people are on fixed income depending on farm income from tobacco allotments to pay their taxes. Mr. Hoskins asked that the Board reconsider, cut something, look for other means to get it, even if it means cutting some jobs that are not needed. Mr. Hoskins requested that the Board not raise taxes this much.

Ms. Thalia Frost of Pelham came before the Board and stated that she felt that the Board is already overtaxing property. Ms. Frost stated that her house is appraised in the high \$80,000’s, and she paid \$10,000 to build her house and \$7,000 for the land. Ms. Frost compared the value of her house to surrounding properties and stated that her property is overvalued. Ms. Frost stated that it seems the County wants taxes to be so high that only the wealthy can be here, and the County was built by the poor. Ms. Frost agreed that some jobs need to be eliminated. Ms. Frost stated that the County is not going to entice anyone to come to Caswell County because of the high taxes.

There being no further comments, Chairman Battle declared the public hearing closed.

Mr. Jeff Earp, County Manager, distributed the proposed Budget Ordinance for 2004-2005 to the Board members.

Commissioner Lucas reported that she received a telephone call from the County Finance Officer this morning informing her that there had been an error in posting Revenue in the amount of \$114,084. Commissioner Lucas requested that the County Manager explain the error. Mr. Earp reported that the error occurred when the Board decreased the Health Department Fund Balance by \$40,000 and in making the adjustment, revenues were overstated. Mr. Earp stated that in order to correct this, \$114,084 was deducted from revenues and expenditures were cut by decreasing Contingency and Appropriation to Fund Balance. Commissioner Lucas reported that she discussed this with an Accountant and was told that a revenue is actually a credit, and in order to make it a wash, a debit had to be made on the Expenditure side of the budget; however, it should not have come from two other funds, but should have been a correcting entry stating that it was a correction of the error that was made in double-posting on the Revenue side of the budget. Mr. Earp clarified that the adjustment was made correctly and expenditures were decreased in order to decrease revenues. Chairman Battle stated that it has to be corrected and the Board has the option of where the correction should be made.

Commissioner Hall stated that he understood it, but there were three options. Commissioner Hall added that the Board could also have made the adjustment to the

Health Department Fund Balance or made a reduction in Health Department Expenditures.

Upon questioning from Chairman Battle, Mr. Earp stated that it was his and the Finance Officer's recommendation that the \$114,084 be taken from Contingency and Fund Balance.

After further discussion, Commissioner Hall moved, seconded by Commissioner Travis to accept the recommendation of County staff by correcting the error of \$114,084 through Contingency and Fund Balance as presented.

Commissioner Lucas stated that she did believe that this was an addition error on the Revenue side of the budget that should not have resulted in changes in Contingency and Fund Balance, rather there should have been a separate correcting entry.

Upon a vote of the motion, the motion carried by a vote of five to two with Commissioners Battle and Lucas voting no.

Commissioner Lucas stated that in going back over the previous workshops and reductions she had tried to bring up at that time, she would still like the Board to consider those reductions and recommended cuts to try to get the budget down to a revenue neutral position. Commissioner Lucas added that she believed the Board needed to pass a Continuing Resolution on the current budget for the next 30 days because of various reasons, one being the error found today and to look at possible cuts recommended during the workshops and readdress those. Commissioner Lucas stated that she recommended a cut of \$100,000 to Medicaid, the employee positions which totaled \$86,396, Current Expense for Schools of \$55,000, and \$4,500 in Miscellaneous. Commissioner Lucas noted that she added in her totals \$42,046, which was the surplus designated to Fund Balance on the \$.60 tax rate, and the \$23,175 which was the Emergency Management funding of the Director which was a duplication in the EMS Salary line item, and the \$112,874 in Contingency. Commissioner Lucas stated that she would like for the Board to reconsider these cuts.

Commissioner Lucas moved, seconded by Commissioner Ward that the Board adopt a Continuing Resolution of the current budget for the next 30 days. The motion failed by a vote of five to two with Commissioners Battle, Hamlett, Hall, Hooper, and Travis voting no.

Commissioner Hall moved, seconded by Commissioner Travis to adopt the following Budget Ordinance for Caswell County for Fiscal Year 2004-2005 as presented and with the adjustments as previously approved.

Commissioner Lucas stated that she received a call last night from a lady that was very concerned about the increase in her tax rate. Commissioner Lucas added that she has three small children, lives in a double-wide home which she paid \$8,000 for and has been revalued at \$40,000, is working two jobs, and her husband is working three jobs. Commissioner Lucas stated that this lady pleaded with her not to raise taxes on her family. Commissioner Lucas added that she then talked to the lady's mother-in-law who is widowed, owns a farm with taxes of \$900 and which produces no income, her personal residence taxes is \$700, lives off of Social Security and her husband's life insurance, and is concerned about losing her property because she is not going to be able to afford to pay the taxes. Commissioner Lucas stated that she wondered how many times this scenario is repeated in this County and is truly concerned if this budget is adopted with a \$.60 tax rate. Commissioner Lucas added that she knew there were cuts that they could go back and make and felt the Board is doing a huge disservice to the property owners of the County if this budget is adopted tonight.

Commissioner Ward stated that he has had a lot of the same calls due to layouts from Dan River, Dimon, countywide, as well as Greensboro and Burlington, and people are concerned about a four cents tax increase. Commissioner Ward stated that he agreed with some of the cuts recommended by Commissioner Lucas and added that he felt the County could also look at combining some positions. Upon questioning from Chairman Battle, Commissioner Ward clarified that the four cents tax increase he referred to was from a revenue neutral position.

Upon a vote of the motion, the motion carried by a vote of four to three with Commissioners Hamlett, Lucas, and Ward voting no.

Chairman Battle announced that the tax rate for Fiscal Year 2004-2005 is set at \$.60 per \$100 valuation.

#### THE ADJOURNMENT

At 7:30 p.m. Chairman Battle moved, seconded by Commissioner Travis to adjourn the meeting. The motion carried unanimously.

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Wanda P. Smith  
Clerk to the Board

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M. O. Battle  
Chairman

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